

G. B. Coolidge Inc.
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DATE

HB

February 18, 2015

Mr. Mac McDermott, President
Northern Montana Oil & Gas Association
Shelby, MT 59474

Dear Mac,

Re: House Bill No. 411 (Stripper Well Exemption)

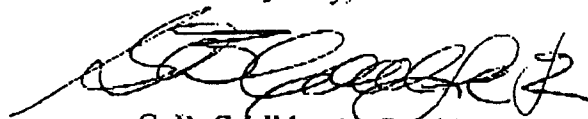
I regret that I cannot personally attend the public hearing of the above captioned bill. However, in my capacity as President of G. B. Coolidge Inc., an independent oil and gas operator of Shelby, MT, I would like to voice my support of Bill No. 411.

As stated in the documentation, this proposed legislation would amend existing Montana law revising the price of a barrel of crude oil for production tax rate purposes, and amending Section 15-36-304 MCA.

In our view, approval of Bill No. 411 is justified in order to recognize the effect of inflation and also the effect of increased transportation costs imposed by the only crude oil purchaser in Northern Montana. Since adoption of this legislation in 2005, transportation fees have doubled from about \$7.00 to \$14.00 per barrel, which as you know, is a burden to the producer. Considering inflation alone at a yearly rate of 3.0% over a ten (10) year period would increase the base price from \$38.00 to over \$50.00 per barrel.

For the reasons stated above, G. B. Coolidge Inc. gives support to House Bill No. 411 on the basis that the proposed revisions are fair and equitable.

Yours very truly,



G. B. Coolidge Jr., President

Barrels of Oil Produced Per Day	3	2	1	0.5
WTI Price	\$ 54.00	\$ 54.00	\$ 54.00	\$ 54.00
Northern Montana Discount to WTI	\$ 14.00	\$ 14.00	\$ 14.00	\$ 14.00
	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00
Gross Proceeds Per Day	\$ 120.00	\$ 80.00	\$ 40.00	\$ 20.00
Working Interest 80%	\$ 6.01	\$ 4.01	\$ 2.00	\$ 1.00
Royalty Interest 20%	\$ 3.61	\$ 2.41	\$ 1.20	\$ 0.60
Total Daily Production Tax	\$ 9.62	\$ 6.42	\$ 3.21	\$ 1.60
Gross Proceeds Less Production Taxes	\$ 110.38	\$ 73.58	\$ 36.79	\$ 18.40
Royalty at 20%	\$ 20.39	\$ 13.59	\$ 6.80	\$ 3.40
Gross Proceeds Less Production Taxes and Royalty	\$ 89.99	\$ 59.99	\$ 30.00	\$ 15.00
Expenses				
Labor Per Day	\$ 21.67			
Electricity Per Day	\$ 16.97	\$ 16.97	\$ 16.97	\$ 16.97
Chemical	\$ 17.88	\$ 17.88		
Operating Supplies	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
Pickup Expense	\$ 10.33	\$ 10.33	\$ 10.33	\$ 10.33
Operating Expense (Accounting/Reporting)	\$ 8.33	\$ 8.33		
	\$ 80.18	\$ 58.51	\$ 32.30	\$ 32.30
Profit or Loss	\$ 9.81	\$ 1.48	\$ (2.30)	\$ (17.30)

Year	CoName	Type	Oil	PER DAY	Wells	BBLS/Well
2013	MCR, LLC	Oil	184,872	506.4986	126	4.01983
2013	Somont Oil Company, Inc.	Oil	125,076	342.674	376	0.911367
2013	FX Drilling Company, Inc.	Oil	53,404	146.3123	101	1.448637
2013	Balko, Inc.	Oil	44,842	122.8548	61	2.014013
2013	Synergy Offshore LLC	Oil	37,211	101.9479	242	0.421273
2013	Mountain View Energy, Inc.	Oil	35,816	98.12603	38	2.582264
2013	Keesun Corporation	Oil	30,498	83.55616	42	1.989432
2013	Croft Petroleum Co.	Oil	24,620	67.45205		
2013	H&R Energy, LLC	Oil	23,157	63.44384	11	6.132005
2013	D & M Welding LLC	Oil	19,883	54.47397		
2013	Hawley & Desimon	Oil	16,854	46.17534		
2013	Sands Oil Company	Oil	14,480	39.67123		
2013	Blackjack Oil, Inc.	Oil	12,626	34.59178		
2013	McRae & Henry Ltd	Oil	12,463	34.14521		
2013	Coolidge, G. B., Inc.	Oil	12,065	33.05479	15	2.306119
2013	Hawkins, Robert S.	Oil	9,877	27.06027		
2013	King-Sherwood Oil	Oil	9,822	26.90959		
2013	Hawley Oil Company	Oil	9,722	26.63562		
2013	T.W.O. (Taylor Well Operating)	Oil	9,628	26.37808		
2013	Montalban Oil & Gas Operations, Inc.	Oil	9,422	25.8137		
2013	Tyler Oil Company	Oil	7,916	21.68767		
2013	Hoffland, James D.	Oil	7,217	19.7726		
2013	Comanche Drilling Company	Oil	6,804	18.6411		
2013	Hawley Hydrocarbons, Merrill&Carol Hawley Db	Oil	6,382	17.48493		
2013	K2 America Corporation	Oil	6,243	17.10411		
2013	Yellowstone Petroleum, Inc.	Oil	5,215	14.28767		
2013	Phoenix Energy, Inc.	Oil	4,838	13.25479	22	0.602491
2013	Parnect Oil, Keith E. Tyner Db	Oil	4,818	13.2	17	0.776471
2013	Campanella, George L	Oil	4,662	12.7726	12	1.064384
2013	Glacier Production, Inc.	Oil	4,428	12.13151	10	1.213151
2013	LaMarsa Corp.	Oil	4,014	10.99726	5	2.199452
2013	R.C.S. Oil, Inc.	Oil	3,406	9.331507	17	0.548912
2013	Gallup City Oil, LLC	Oil	3,308	9.063014	7	1.294716

2013 G/S Producing, Inc.	Oil	3,048	8.350685	8	1.043836
2013 Seymour, James & Lorraine	Oil	2,957	8.10137	9	0.900152
2013 Homestake Oil & Gas Co.	Oil	2,477	6.786301	5	1.35726
2013 Knaup, Harry J. & Lucille	Oil	2,355	6.452055	5	1.290411
2013 Buckley, Michael T.	Oil	2,350	6.438356	8	0.804795
2013 Pondera Partners Limited Partnership	Oil	1,799	4.928767	6	0.821461
2013 Brown, J. Burns Operating Company	Oil	1,635	4.479452	2	2.239726
2013 Atkins Drilling Company	Oil	1,410	3.863014	4	0.965753
2013 J H Oil Company (James Hofland)	Oil	1,402	3.841096	9	0.426788
2013 A. B. Energy LLC	Oil	1,386	3.79726	8	0.474658
2013 Slohcin, Inc.	Oil	1,347	3.690411	2	1.845205
2013 Lyon, John J.	Oil	1,206	3.30411	1	3.30411
2013 Woods, Pete Or Maxine	Oil	884	2.421918	8	0.30274
2013 Western Natural Gas Company	Oil	706	1.934247	1	1.934247
2013 Mountain Pacific General Inc.	Oil	620	1.69863	1	1.69863
2013 McPhillips, Bernice	Oil	540	1.479452	3	0.493151
2013 Roland Oil and Gas	Oil	496	1.358904	1	1.358904
2013 Ranck Oil Company, Inc.	Oil	478	1.309589	3	0.43653
2013 Parsell, RF Partnership	Oil	445	1.219178	1	1.219178
2013 Coolidge, Timothy J & Billiette Nebel	Oil	435	1.191781	1	1.191781
2013 Ballantyne Ventures LLC	Oil	426	1.167123	5	0.233425
2013 Coolidge, Paul	Oil	391	1.071233	1	1.071233
2013 Hawley-Northrup	Oil	134	0.367123	2	0.183562
2013 Parsell, R. W.	Oil	126	0.345205	1	0.345205

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